



## U.S. Department of Justice

United States Trustee, Region 10  
Central & Southern Districts of Illinois  
Northern & Southern Districts of Indiana

555 One Michiana Square Bldg.  
100 East Wayne Street  
South Bend, Indiana 46601

574/236-8105  
FAX 574/236-8163

Office of the United States Trustee - Region 10  
South Bend, Indiana

## Statement of Operations

for the Month ended \_\_\_\_\_

Debtor Name: New Schoonebeek Dairy, LLCCase Number: CC-34327

1. What efforts have been made toward the presentation of a plan to creditors?

make updated budget withNew plan with investor is on file by court, on July 1 2011

2. Has the Debtor in possession made any payments on the pre-petition unsecured debt since the filing of the bankruptcy?

X NO

YES; If yes, then identify to whom the payment was made, the date paid, and the amount(s).

3. Provide a brief narrative covering any significant events which occurred this past month.

4. List the face value of accounts receivable as of the date that the bankruptcy was filed: \$ \_\_\_\_\_  
What amount of these receivables is considered uncollectible? \$ \_\_\_\_\_

5. If assets have been sold this month in other than the ordinary course of business, provide the following information:

a. assets(s) sold \_\_\_\_\_

b. date of sale \_\_\_\_\_

c. sales price \_\_\_\_\_

d. net amount received \_\_\_\_\_



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Office of the United States Trustee - Region 10  
South Bend, Indiana

Monthly Report  
for  
Debtors-in-Possession and Chapter 11 Trustees

Each month all Chapter 11 debtors must file two copies of this report with the Bankruptcy Clerk. The report must be filed with the attached reports identified below, ready for distribution to the U.S. Trustee no later than the 15<sup>th</sup> day of the month following the end of the calendar month covered by this report.

Debtor Name: New Schwanbeek Dairy LLCFor the month ended: June 2011Case Number: 09-34327Date Bankruptcy filed: Sept. 8 2009

Required Documents:	Attached	Previously Submitted
1. Monthly Income Statement (P&L)	<u>L</u>	_____
2. Monthly Cash Flow Report (CF; 3 pages)	<u>L</u>	_____
3. Statement of Operations	<u>L</u>	_____
4. Other reports/documents as required by the U.S. Trustee	<u>L</u>	_____

The undersigned certifies under penalty of perjury that the information contained in this and accompanying reports is complete, true and correct to the best of my knowledge, information, and belief.

By HARRY BEKEL Dated: 7/19/2011Owner (Title) Debtor's telephone number 260-571-3940Reports prepared by: laura (Nietzke & Fausel) - Accountant  
(Name) (Title)

HARRY BEKEL - Owner New Schwanbeek Dairy

6. List payments made to principals, executives, or insiders (this includes draws or cash withdrawals by individuals or partners, dividends, lease payments on property owned by insider, loans, gross salaries, etc.)

<u>Payee Name</u>	<u>Position</u>	<u>Amount</u>	<u>Explanation</u>

7. Schedule of insurance coverage.

<u>Type of Policy</u>	<u>Expiration Date</u>
Same from last month.	Same

Has any insurance coverage either been reduced or allowed to lapse during this month? If so, explain what changes have taken place.

No.

If any insurance coverage will expire within 60 days from this report, explain what steps are being taken to renew existing policies or to acquire new insurance coverage. Provide the United States Trustee with a new certificate.

8. Schedule of changes in personnel.

	<u>Full Time</u>	<u>Part Time</u>
a. Total number of employees at beginning of this period.	17	2
b. Number hired during this period.	—	1
c. Number terminated or resigned.	1	—
d. Total number of employees on payroll at the end of this period.	16	3

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## OFFICE OF THE U.S. TRUSTEE - REGION 10

## MONTHLY CASH FLOW REPORT

for the month ended June 2011STATUS OF TAXES

	BEGINNING *TAX LIABILITY	AMOUNT WITHHELD OR ACCURED	AMOUNT PAID	ENDING TAX LIABILITY
<b>FEDERAL</b>				
*Withholding	0	1049.00	1049.00	0
*FICA-employees	0	2328.18	2328.18	0
*FICA-employer	0	3152.33	3152.33	0
unemployment				
income				
other - list				
a. Subtotal		10529.51	10529.51	

STATE AND LOCAL

withholding	2293.00	2363.10	2293.00	2363.10
sales				
excise				
unemployment				
other				
real property				
personal property				
other - list				
b. Subtotal	2293.00	2363.10	2293.00	2363.10

TOTAL TAXES PAID - from a. &amp; b. above

(this sum is to be listed on page 1, as tax payments)

Explain the reason for any past due post-petition taxes:

\*The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, this should be zero

\*Attach photocopies of IRS Form 6123 of your FTD coupon and payment receipt to verify payments or deposits.

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## OFFICE OF THE U.S. TRUSTEE - REGION 10

## MONTHLY CASH FLOW REPORT

for the month ended June 2011

Debtor Name

New. Schoonebeek Dairy, LLC

Case Number

Reconciled bank balance and cash on hand from last month  
(If this is the first report, insert the cash balance as of the  
petition date.)4,119CASH RECEIPTS

from cash sales/receipts	<u>587,622</u>
from collection of pre-petition receivables	<u>          </u>
from collection of post-petition receivables	<u>          </u>
from loans	<u>          </u>
from contributions to capital or from gifts	<u>          </u>
other receipts (itemize on a separate sheet)	<u>          </u>
<b>TOTAL RECEIPTS</b> (Do not include beginning bank balance)	<u>587,622</u>

CASH DISBURSEMENTS

Inventory purchases	<u>62,900</u>
* net payments to officers/owners	<u>5,070</u>
* net payments to other employees	<u>4,015</u>
rent payments	<u>2,600</u>
lease payments	<u>          </u>
mortgage or note payments	<u>          </u>
adequate protection payments	<u>          </u>
insurance	<u>1,412</u>
utilities/telephone	<u>10,678</u>
** tax payments	<u>9,823</u>
supplies	<u>12,811</u>
outside labor	<u>          </u>
travel/entertainment	<u>          </u>
*** payments to attorneys	<u>          </u>
*** payments to accountants	<u>2,000</u>
*** payments to other professionals	<u>          </u>
U.S. Trustee Quarterly Fee	<u>          </u>
other expenses (itemize on separate sheet)	<u>435,889</u>
<b>TOTAL DISBURSEMENTS</b>	<u>588,647</u>

NET CASH FLOW (Total Receipts minus Total Disbursements)

(1,025)  
3094Bank Balance and cash on hand at the end of the month  
(beginning balance + cash receipts - cash disbursements)\* This figure is the actual cash paid, i.e. gross payroll  
less taxes withheld

\*\* This figure comes from page 2 of this form

\*\*\* Attach a copy of the court order authorizing such payments

**New Schoonebeek Dairy, LLC  
Monthly Cash Flow Report - Detail of Other Expenses**

<b><u>Other Expenses:</u></b>	<b><u>June</u></b>
Animal health	24,559
Bank charges	290
Bedding	3,987
Breeding	4,264
Custom hire	1,600
Feed	330,784
Fuel	13,018
Milk hauling	6,542
Interest	12,166
Marketing	6,812
Misc	-
Repairs	27,846
Other taxes	-
	<b><u>\$ 435,839</u></b>

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## OFFICE OF THE U.S. TRUSTEE - REGION 10

## MONTHLY INCOME STATEMENT

As of June 2011Debtor Name New Schoonebeek Dairy, LLC

Case Number \_\_\_\_\_

CURRENT  
MONTHYEAR TO  
DATEINCOMEGross Receipts or Sales  
less: returns or allowances587,102.23,744,015Cost of Goods

Beginning Inventory \_\_\_\_\_

Purchases \_\_\_\_\_

Other Costs (list) \_\_\_\_\_

less: ending inventory \_\_\_\_\_

Cost of Goods Sold \_\_\_\_\_

Gross Profit \_\_\_\_\_

Interest \_\_\_\_\_

Rents \_\_\_\_\_

Gain (Loss) from sale of property \_\_\_\_\_

Other Income \_\_\_\_\_

Total Income

587,102.23,744,015GENERAL AND ADMINISTRATIVE EXPENSES

Compensation of Officers

Salaries &amp; Wages

Repairs &amp; Maintenance

Supplies

Bad Debts

Rents

Payroll Taxes

Other Taxes

Interest Expense

Depreciation

Insurance

Travel &amp; Entertainment

Utilities &amp; Telephone

Professional &amp; Legal

Other Expenses (Attach Schedule)

Total Expenses

Net Profit (Loss)

49,34827,84812,8118,00017,72417,158101,0001,41210,6782,000345,826102,148(34,120)346,010118,14075,08235,10113,72471,380606,00014,87852,040104,2772,452,9963,886,2281,106,213

**New Schoonebeek Dairy, LLC**  
**Monthly Income Statement - Detail of Other Expenses**

<u>Other Expenses:</u>	<u>June</u>	<u>YTD</u>
Animal Health	24,659	175,077
Bank charges	280	2,853
Bedding	3,987	31,469
Breeding	4,264	21,188
Custom Hire	1,800	6,809
Feed	330,784	2,036,989
Fuel	13,018	75,863
Milk Hauling	8,542	48,680
Marketing	8,812	53,401
Misc	-	713
	<u>\$ 395,836</u>	<u>\$ 2,482,996</u>



**NEW SCHOONEBEEK DAIRY, LLC**

**FINANCIAL INFORMATION  
JUNE 30, 2011 AND 2010**

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**NEW SCHOONEBEEK DAIRY, LLC****BALANCE SHEETS**

	<b>JUNE 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 3,094	
Commodity receivables	117,365	\$ 140,378
Other receivables	14,947	34,049
Feed inventory	-	83,482
Prepaid expenses	122,693	4,000
<b>TOTAL CURRENT ASSETS</b>	<b>257,999</b>	<b>261,909</b>
<b>PROPERTY AND EQUIPMENT - AT COST:</b>		
Leasehold improvements	160,843	160,843
Buildings	13,495	13,495
Machinery and equipment	1,110,872	1,110,872
Dairy livestock	2,819,245	2,941,470
<b>TOTAL PROPERTY AND EQUIPMENT - AT COST</b>	<b>3,904,455</b>	<b>4,226,680</b>
Accumulated depreciation	(896,546)	(722,930)
<b>NET PROPERTY AND EQUIPMENT - AT COST</b>	<b>3,007,909</b>	<b>3,503,750</b>
<b>OTHER ASSETS:</b>		
Loan fees - net of amortization	133	2,386
Investments in cooperatives - net of reserve	247,019	211,515
<b>TOTAL OTHER ASSETS</b>	<b>247,152</b>	<b>213,871</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,513,080</b>	<b>\$ 3,979,530</b>

(Continued)

**NEW SCHOONEBEEK DAIRY, LLC****BALANCE SHEETS**

	<b>JUNE 30,</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>LIABILITIES AND MEMBER'S EQUITY (DEFICIT)</u></b>		
<b>LIABILITIES NOT SUBJECT TO COMPROMISE:</b>		
Current liabilities:		
Bank float		\$ 18,483
Accounts payable	\$ 57,416	122,044
Accrued wages and payroll taxes	20,894	23,493
Notes payable - Rabo AgriFinance	2,567,126	2,666,834
Current portion of deferred revenue	-	66,056
Current liabilities not subject to compromise	<u>2,645,434</u>	<u>2,928,912</u>
<b>TOTAL LIABILITIES NOT SUBJECT TO COMPROMISE</b>	<b><u>2,645,434</u></b>	<b><u>2,928,912</u></b>
<b>LIABILITIES SUBJECT TO COMPROMISE:</b>		
Accounts payable	434,632	434,632
Forage payable	690,981	690,981
Accrued interest	100,321	54,956
Accrued expenses	1,496,251	912,500
Subordinated debt	<u>554,476</u>	<u>554,476</u>
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b><u>3,276,663</u></b>	<b><u>2,647,547</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>5,922,097</u></b>	<b><u>5,576,459</u></b>
<b>MEMBER'S EQUITY (DEFICIT)</b>	<b>(2,409,037)</b>	<b>(1,596,929)</b>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)</b>	<b><u>\$ 3,513,060</u></b>	<b><u>\$ 3,979,530</u></b>

See selected information and Independent  
Accountant's Compilation Report.

## NEW SCHOONEBEEK DAIRY, LLC

## STATEMENTS OF INCOME

	MONTH ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2011	2010	2011	2010
<b>REVENUE FROM OPERATIONS:</b>				
Milk	\$ 559,388	\$ 504,217	\$ 3,379,235	\$ 3,068,187
Livestock revenue	8,476	7,172	84,149	44,091
Cull cow revenue	22,239	11,247	180,573	85,848
Other income	824	29,844	93,397	176,388
<b>TOTAL REVENUE FROM OPERATIONS</b>	<u>590,926</u>	<u>552,280</u>	<u>3,741,354</u>	<u>3,384,494</u>
<b>OPERATING COSTS AND EXPENSES:</b>				
Amortization	60	500	300	3,000
Animal health	24,620	45,936	169,351	273,401
Bank charges	200	1,241	2,884	7,898
Bedding	8,840	4,925	28,531	36,358
Breeding	4,264	3,612	21,168	26,716
Cull cow expense	69,188	61,842	579,679	354,423
Custom hire	7,870	-	26,812	21,908
Depreciation	15,000	18,000	80,000	108,000
Feed	332,822	256,178	1,937,835	1,599,653
Fuel	13,018	10,668	75,663	78,187
Hauling - milk	7,205	8,075	48,224	50,371
Insurance	1,431	3,079	14,878	23,644
Interest	14,704	14,787	92,824	87,625
Wages, contract labor, benefits & taxes	68,139	67,483	336,888	400,518
Marketing	5,355	8,882	33,328	68,488
Miscellaneous	-	69	712	819
Professional fees	-	1,925	-	14,074
Repairs and maintenance	30,345	13,166	116,381	71,059
Rent	6,580	41,087	295,906	284,897
Supplies	14,183	8,658	71,735	38,628
Taxes	3,000	1,500	11,975	3,514
Utilities	14,260	10,321	88,132	49,086
<b>TOTAL OPERATING COSTS AND EXPENSES</b>	<u>817,449</u>	<u>578,840</u>	<u>4,010,828</u>	<u>3,588,068</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(26,523)</u>	<u>(26,560)</u>	<u>(269,474)</u>	<u>(184,574)</u>
<b>OTHER INCOME (EXPENSE):</b>				
Gain on sale - leaseback	-	9,000	44,058	64,000
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<u>-</u>	<u>9,000</u>	<u>44,058</u>	<u>64,000</u>
<b>INCOME (LOSS) BEFORE REORGANIZATION ITEMS</b>	<u>(26,523)</u>	<u>(17,560)</u>	<u>(225,416)</u>	<u>(120,574)</u>
<b>REORGANIZATION ITEMS:</b>				
Legal and accounting fees	(2,125)	-	(57,452)	(20,280)
<b>TOTAL REORGANIZATION ITEMS</b>	<u>(2,125)</u>	<u>-</u>	<u>(57,452)</u>	<u>(20,280)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (28,648)</u>	<u>\$ (17,560)</u>	<u>\$ (282,868)</u>	<u>\$ (140,854)</u>

See selected information and independent  
Accountant's Compilation Report.

**NEW SCHOONEBEEK DAIRY, LLC****STATEMENTS OF CHANGES IN MEMBER'S EQUITY (DEFICIT)**

	<b>SIX MONTHS ENDED</b>	
	<b>JUNE 30,</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>MEMBER'S EQUITY (DEFICIT), BEGINNING OF THE PERIOD</b>	<b>\$ (2,089,175)</b>	<b>\$ (1,424,998)</b>
<b>Net Income (loss)</b>	<b>(282,668)</b>	<b>(180,834)</b>
<b>Member's (withdrawals)</b>	<b>(37,194)</b>	<b>(21,097)</b>
<b>MEMBER'S EQUITY (DEFICIT), END OF THE PERIOD</b>	<b><u>\$ (2,409,037)</u></b>	<b><u>\$ (1,596,929)</u></b>

See selected information and Independent  
Accountant's Compilation Report.

**NEW SCHOONEBEEK DAIRY, LLC****SELECTED INFORMATION – Substantially All Disclosures Required By Accounting Principles Generally Accepted in the United States of America Are Not Included****JUNE 30, 2011 AND 2010****NOTE 1 - PETITION FOR RELIEF UNDER CHAPTER 11:**

On September 7, 2009, New Schoonebeek Dairy, LLC (the Debtor) filed petitions for relief under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court for the District of Indiana - Region 10. Under Chapter 11, certain claims against the Debtor in existence before the filing of the petitions for relief under the federal bankruptcy laws are stayed while the Debtor continues business operations as Debtor-in-possession. These claims are reflected in the June 30, 2011 and 2010, balance sheets as liabilities subject to compromise. Additional claims (liabilities subject to compromise) may arise after the filing date resulting from rejection of executory contracts, including leases, and from the determination by the court (or agreed to by parties in interest) of allowed claims for contingencies and other disputed amounts. Claims secured against the Debtor's assets (secured claims) also are stayed, although the holders of such claims have the right to move the court for relief from the stay. Secured claims are secured primarily by liens on the Debtor's property and equipment.

The Debtor received approval from the Bankruptcy Court to pay or otherwise honor certain of its prepetition obligations, including employee wages. The Debtor has determined that there is insufficient collateral to cover the interest portion of scheduled payments on its prepetition debt obligations.

**NOTE 2 - GOING CONCERN:**

On September 7, 2009, the Company filed petitions under Chapter 11 of the Bankruptcy laws. This creates an uncertainty as to the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

See Independent Accountant's Compilation Report.

## SUPPLEMENTARY INFORMATION



**NEW SCHOONEBECK DAIRY, LLC**

**SCHEDULE OF FEED EXPENSE  
FOR THE MONTHS AND SIX MONTHS ENDED JUNE 30, 2011**

	<u>JANUARY 31,</u> <u>2011</u>	<u>FEBRUARY 28,</u> <u>2011</u>	<u>MARCH 31,</u> <u>2011</u>	<u>APRIL 30,</u> <u>2011</u>	<u>MAY 31,</u> <u>2011</u>	<u>JUNE 30,</u> <u>2011</u>	<u>YEAR TO</u> <u>DATE</u>
<u>Other Feed Purchased:</u>							
Fleck Farms	\$ 57,302	\$ 57,500	\$ 55,000	\$ 57,500	\$ 53,500	\$ 37,500	\$ 318,302
Mark Deardorff	20,000	100,000	85,008	74,000	-	-	259,008
Sanimax Marketing	11,780	13,020	14,120	46,590	13,080	12,880	79,540
Sunshine Dairy	82,500	-	-	5,000	80,500	85,500	253,500
Synergy Feeds	180,708	88,817	114,726	119,588	132,726	141,812	758,355
Zeeland Farm Service Inc.	36,480	39,630	47,580	47,800	55,630	54,830	281,930
<b>Total Other Feed Purchased</b>	<b>388,768</b>	<b>298,967</b>	<b>296,414</b>	<b>318,548</b>	<b>335,416</b>	<b>332,522</b>	<b>1,950,635</b>
<b>Total Feed Before Adjustments</b>	<b>388,768</b>	<b>298,967</b>	<b>296,414</b>	<b>318,548</b>	<b>335,416</b>	<b>332,522</b>	<b>1,950,635</b>

<u>Adjustments:</u>							
Prepaid feed	-	-	-	-	(13,000)	-	(13,000)
<b>Total Feed Expense</b>	<b>\$ 388,768</b>	<b>\$ 298,967</b>	<b>\$ 296,414</b>	<b>\$ 318,548</b>	<b>\$ 322,416</b>	<b>\$ 332,522</b>	<b>\$ 1,937,635</b>

<u>Per Cow Info:</u>							
Average Dairy Cows on the Farm	1,530	1,544	1,427	1,464	1,489	1,501	1,505
Days in Month	31	28	31	30	31	30	181
Estimated Feed per Cow per Day	\$ 7.49	\$ 6.92	\$ 6.70	\$ 7.25	\$ 6.98	\$ 7.38	\$ 7.11

See Independent Accountant's Compilation Report.

NEW SCHOONEBEEK DAIRY, LLC

SCHEDULE OF DAIRY LIVESTOCK  
FOR THE MONTHS AND THE SIX MONTHS ENDED JUNE 30, 2011

	Beginning Balance	Purchases	Sub Total	Sales	Died	Total Cull Cows	Ending Balance
<b>January</b>							
Number of cows	1,530	8	1,538	(28)	(25)	(53)	1,485
Average cost	1,789	\$ 1,825	\$ 1,788	\$ 1,782	\$ 1,782	\$ 1,782	\$ 1,788
Dollar amount	\$ 2,737,170	\$ 13,000	\$ 2,750,170	\$ (50,176)	\$ (44,814)	\$ (84,980)	\$ 2,655,180
<b>February</b>							
Number of cows	1,485	61	1,546	(155)	(38)	(143)	1,403
Average cost	1,788	\$ 1,382	\$ 1,772	\$ 1,788	\$ 1,788	\$ 1,788	\$ 1,773
Dollar amount	\$ 2,655,180	\$ 84,900	\$ 2,740,080	\$ (185,430)	\$ (67,131)	\$ (252,561)	\$ 2,487,519
<b>March</b>							
Number of cows	1,403	93	1,486	(25)	(21)	(46)	1,450
Average cost	1,773	\$ 1,508	\$ 1,738	\$ 1,707	\$ 1,707	\$ 1,707	\$ 1,738
Dollar amount	\$ 2,487,519	\$ 140,880	\$ 2,627,509	\$ (42,675)	\$ (35,834)	\$ (78,509)	\$ 2,549,180
<b>April</b>							
Number of cows	1,450	44	1,494	(9)	(8)	(17)	1,477
Average cost	1,758	\$ 1,527	\$ 1,751	\$ 1,585	\$ 1,585	\$ 1,585	\$ 1,753
Dollar amount	\$ 2,549,180	\$ 67,200	\$ 2,616,380	\$ (14,355)	\$ (12,764)	\$ (27,118)	\$ 2,589,181
<b>May</b>							
Number of cows	1,477	83	1,538	(28)	(8)	(37)	1,501
Average cost	1,753	\$ 1,547	\$ 1,745	\$ 1,818	\$ 1,819	\$ 1,819	\$ 1,743
Dollar amount	\$ 2,589,181	\$ 94,853	\$ 2,683,539	\$ (52,751)	\$ (14,545)	\$ (67,296)	\$ 2,616,243
<b>June</b>							
Number of cows	1,501	36	1,537	(28)	(6)	(38)	1,501
Average cost	1,743	\$ 1,728	\$ 1,743	\$ 1,844	\$ 1,844	\$ 1,844	\$ 1,745
Dollar amount	\$ 2,616,243	\$ 62,200	\$ 2,678,443	\$ (46,032)	\$ (13,155)	\$ (59,188)	\$ 2,619,245
<b>Year to Date</b>							
Number of cows	1,530	303	1,833	(224)	(106)	(332)	1,501
Average cost	1,789	\$ 1,524	\$ 1,745	\$ 1,748	\$ 1,746	\$ 1,746	\$ 1,745
Dollar amount	\$ 2,737,170	\$ 461,748	\$ 3,198,918	\$ (381,419)	\$ (188,254)	\$ (578,673)	\$ 2,619,245

See Independent Accountant's Compilation Report.

NEW SCHOOL DAIRES, LLC

SCHEDULE OF INCOME AND EXPENSES  
PER CWT OF MILK PRODUCED AND PER COW PER DAY

NEW SCHOOL DAIRES, LLC  
FOR THE ONE MONTH ENDED  
JANUARY 31, 2011

Quantity of milk in cwt  
Average number of cows milking per day  
Pounds of milk per cow per day  
Number of cwt cows  
Annualized herd turnover rate  
Average cows on farm for the period  
Number of days in period  
Breastmilk milk price  
Breastmilk milk production per cow per day

NEW SCHOOL DAIRES, LLC  
FOR THE ONE MONTH ENDED  
FEBRUARY 28, 2011

NEW SCHOOL DAIRES, LLC  
FOR THE ONE MONTH ENDED  
MARCH 31, 2011

REVENUE FROM OPERATIONS	AMOUNT	PER CWT PRODUCED	PER COW PER DAY	AMOUNT	PER CWT PRODUCED	PER COW PER DAY	AMOUNT	PER CWT PRODUCED	PER COW PER DAY
Milk	\$ 614,528	\$ 18.08	\$ 10.32	\$ 481,120	\$ 11.50	\$ 11.50	\$ 619,274	\$ 21.32	\$ 14.00
Livestock revenue	3,258	0.11	0.07	58,030	2.35	1.27	8,818	0.34	0.22
Calf cow revenue	15,117	0.50	0.30	91,935	3.45	2.11	14,794	0.51	0.33
Other income	33,516	1.18	0.67	57,887	2.32	0.87	17,839	0.61	0.48
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>\$666,419</b>	<b>\$20.86</b>	<b>\$11.36</b>	<b>\$689,972</b>	<b>\$27.46</b>	<b>\$16.71</b>	<b>\$651,723</b>	<b>\$22.78</b>	<b>\$14.95</b>

OPERATING COSTS AND EXPENSES:

Amortization	50	1.06	0.01	28,287	1.18	0.88	80	1.28	0.04
Animal health	310,148	0.92	0.01	10	-	-	37,286	0.02	0.02
Bank charges	338	0.01	0.00	2,519	0.09	0.06	672	0.01	0.21
Bedding	2,875	0.01	0.01	1,020	0.04	0.02	9,131	0.01	0.16
Breeding	4,778	0.01	0.01	282,881	10.21	0.54	4,838	0.01	1.77
Calf cow expense	94,888	2.83	0.02	4,881	0.19	0.11	78,688	2.70	-
Custom hire	843	0.03	0.02	15,000	0.51	0.35	15,000	0.52	0.34
Depreciation	15,000	0.04	0.03	288,987	12.08	0.82	288,414	10.21	0.70
Feed	328,788	9.83	0.34	12,337	0.49	0.29	17,181	0.58	0.38
Fuel	12,139	0.35	0.17	7,284	0.29	0.17	8,312	0.29	0.19
Hauling - milk	8,835	0.26	0.11	1,884	0.08	0.04	2,422	0.09	0.06
Insurance	5,511	0.16	0.08	14,581	0.58	0.34	15,000	0.55	0.36
Interest	15,789	0.47	0.32	88,008	3.35	1.34	60,031	1.74	1.14
Wages, contract labor, benefits & taxes	58,785	1.75	1.20	4,946	0.20	0.11	6,889	0.26	0.15
Machinery	6,745	0.20	0.11	85	-	-	288	0.01	0.01
Miscellaneous	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	22,087	0.88	0.51	23,888	0.82	0.54
Repairs & maintenance	11,140	0.34	0.22	67,072	2.51	1.32	88,881	1.95	1.27
Rent	36,181	1.07	0.72	13,488	0.55	0.31	10,045	0.35	0.23
Supplies	11,817	0.35	0.22	1,945	0.08	0.04	1,888	0.06	0.05
Taxes	1,750	0.05	0.04	8,788	0.33	0.20	7,882	0.27	0.18
Utilities	7,334	0.22	0.15	808,008	32.61	15.81	841,248	22.88	14.61
<b>TOTAL OPERATING COSTS AND EXPENSES</b>	<b>\$1,089,425</b>	<b>\$32.61</b>	<b>\$19.99</b>	<b>\$1,227,348</b>	<b>\$46.15</b>	<b>\$28.85</b>	<b>\$1,089,425</b>	<b>\$32.61</b>	<b>\$19.99</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>\$ (422,906)</b>	<b>\$ (12.75)</b>	<b>\$ (8.63)</b>	<b>\$ (537,376)</b>	<b>\$ (15.69)</b>	<b>\$ (17.14)</b>	<b>\$ (437,702)</b>	<b>\$ (13.63)</b>	<b>\$ (15.04)</b>

(Cash flow)  
See Independent Accountant's Compilation Report.

NEW SCHOONEBEEK DAIRY, LLC

SCHEDULE OF INCOME AND EXPENSES  
PER CWT OF MILK PRODUCED AND PER COW PER DAY

	NEW SCHOONEBEEK DAIRY, LLC FOR THE ONE MONTH ENDED APRIL 30, 2011	NEW SCHOONEBEEK DAIRY, LLC FOR THE ONE MONTH ENDED MAY 31, 2011	NEW SCHOONEBEEK DAIRY, LLC FOR THE ONE MONTH ENDED JUNE 30, 2011
Quantity of milk in cwt	29,042	29,573	29,823
Average number of cows milked per day	1,313	1,333	1,313
Pounds of milk per cow per day	71	71	69
Number of cull cows	17	37	35
Average number of herd turnover rate	14.15%	23.30%	23.10%
Average cows on farm for the period	1,404	1,488	1,304
Number of days in period	30	31	30
Business milk price	\$ 22.45	\$ 20.31	\$ 21.70
Breakdown milk production per cow per day	70	71	72
REVENUE FROM OPERATIONS:			
Milk	\$ 645,051	\$ 604,070	\$ 659,358
Lockout revenue	6,825	6,750	8,475
Cull cow revenue	9,383	23,154	22,233
Other income	2,781	939	804
TOTAL REVENUE FROM OPERATIONS	\$ 663,939	\$ 634,913	\$ 690,870
OPERATING COSTS AND EXPENSES:			
Amortization	\$0	\$0	\$0
Animal health	22,405	23,942	24,320
Bank charges	770	1,022	1,071
Building	2,237	4,400	5,040
Breeding	4,015	2,270	4,294
Cull cow expenses	27,119	67,208	69,188
Custom hire	7,082	6,348	7,670
Depreciation	16,000	15,000	15,000
Feed	338,545	322,446	332,522
Fuel	14,973	6,214	13,078
Heating - milk	8,455	8,642	7,765
Insurance	-	2,930	1,411
Interest	15,283	6,214	6,309
Wages, contract labor, benefits & taxes	28,000	2,930	1,411
Marketing	5,000	5,604	5,000
Miscellaneous	312	5,675	5,385
Proteinized feed	-	35	-
Repairs & maintenance	15,172	12,407	30,345
Rent	50,257	69,505	6,500
Supplies	10,358	12,834	14,153
Taxes	1,716	2,164	3,600
Utilities	8,567	11,049	14,260
TOTAL OPERATING COSTS AND EXPENSES	\$ 592,263	\$ 597,580	\$ 617,449
INCOME (LOSS) FROM OPERATIONS	\$ 71,676	\$ 37,333	\$ 73,421

(Continued)  
See Independent Accountant's Compilation Report.

NEW SCHOOONEBEEK DAIRY, LLC

SCHEDULE OF INCOME AND EXPENSES  
PER CWT OF MILK PRODUCED AND PER COW PER DAY

NEW SCHOOONEBEEK DAIRY, LLC  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2011  
106,807

On sale of milk is cost  
Average number of cows milked per day  
Pounds of milk per cow per day  
Number of milk cows  
Average herd turnover rate  
Average cows on farm for the period  
Number of days in period  
Business milk price  
Business milk production per cow per day

1,300  
70  
332  
44.60%  
1,505  
181  
\$ 21.88  
70

WEITZKE & FAURPEL, PC DAIRY AGREEMENTS  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2011  
116,243

1,797  
74  
222  
43.80%  
2,802  
93  
\$ 17.10  
60

REVENUE FROM OPERATIONS:	AMOUNT	PER CWT PRODUCED	PER COW PER DAY	AMOUNT	PER CWT PRODUCED	PER COW PER DAY
Milk	\$ 3,573,239	\$ 20.24	\$ 12.58	\$ 2,271,828	\$ 18.17	\$ 11.98
Livestock sale	94,149	0.58	0.35	83,351	0.68	0.29
Cull cow revenue	180,573	1.08	0.68	131,834	1.44	0.71
Other income	93,287	0.58	0.34	17,841	0.15	0.10
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>\$ 3,741,248</b>	<b>\$ 22.46</b>	<b>\$ 13.95</b>	<b>\$ 2,423,288</b>	<b>\$ 20.92</b>	<b>\$ 13.06</b>

OPERATING COSTS AND EXPENSES:

Amortization	309	0.00	-	2,119	0.02	0.01
Animal health	102,351	1.02	0.62	62,834	0.54	0.34
Bank charges	2,654	0.02	0.01	1,043	0.01	0.01
Breeding	20,133	0.20	0.10	18,378	0.16	0.10
Breeding	21,185	0.15	0.08	13,120	0.11	0.07
Cull cow expenses	57,853	3.48	2.13	385,325	8.18	1.87
Custom hire	28,612	0.18	0.10	24,398	0.21	0.13
Depreciation	80,000	0.54	0.33	118,889	1.03	0.64
Feed	1,637,385	11.63	7.11	1,001,595	8.66	6.49
Fuel	25,563	0.40	0.23	33,273	0.34	0.21
Hauling - milk	40,234	0.25	0.16	29,000	0.26	0.16
Insurance	14,578	0.09	0.06	13,201	0.11	0.07
Interest	82,304	0.66	0.34	61,742	0.79	0.49
Wages, contract labor, benefits & light	318,368	2.02	1.23	175,394	1.52	0.95
Miscellaneous	83,328	0.20	0.12	21,344	0.19	0.12
Professional fees	712	0.00	-	2,971	0.03	0.02
Repairs & maintenance	116,281	0.69	0.42	18,641	0.14	0.09
Rent	285,885	1.77	1.09	49,774	0.38	0.24
Supplies	71,735	0.49	0.28	41,535	0.36	0.22
Taxes	11,975	0.07	0.04	59,333	0.50	0.31
Utilities	35,132	0.21	0.12	2,155	0.02	0.01
<b>TOTAL OPERATING COSTS AND EXPENSES</b>	<b>\$ 4,010,888</b>	<b>\$ 24.97</b>	<b>\$ 14.79</b>	<b>\$ 2,480,788</b>	<b>\$ 20.85</b>	<b>\$ 11.75</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>\$ (269,640)</b>	<b>\$ (1.51)</b>	<b>\$ (0.84)</b>	<b>\$ (67,500)</b>	<b>\$ (0.27)</b>	<b>\$ (0.41)</b>

See Independent Accountant's Compilation Report.

**Certificate of Service**

The undersigned hereby certifies that a true and correct copy of the foregoing document was served upon:

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One Michiana Square Building  
Suite 555  
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South Bend, IN 46601-2349

Alex Edgar  
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South Bend, IN 46601

by United States First Class Mail, postage prepaid this 20<sup>th</sup> day of July, 2011.

  
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R. WILLIAM JONAS, JR.